

# **Program Audit Study Committee Update**

**Joint Legislative  
Education Oversight Committee  
November 5, 2014**

# **G.S. 115D-5(m): Program Auditing**

- **The State Board of Community Colleges shall maintain an education program auditing function that conducts an annual audit of each community college.**
- **The purpose of the annual audit shall be to ensure that college programs and related fiscal operations comply with State law, State regulations, State Board policies, and System Office guidance.**
- **The State Board of Community Colleges shall require auditors of community college programs to use a statistically valid sample size in performing program audits of community colleges.**
- **All education program audit findings shall be forwarded to the college president, local college board of trustees, the State Board of Community Colleges, and the State Auditor.**

# 2013 Appropriations Act

- 1. Repeals G.S. 115D-5(m) effective July 1, 2015.**
- 2. Eliminates recurring funds (\$551,572) for Audit Services team (7 positions) and appropriates non-recurring funds (\$551,572) for the 2013-15 fiscal biennium .**
- 3. Establishes the Program Audit Study Committee.**

# Program Audit Study Committee Membership

**2013 Joint Conference Committee Report: “Restoration of recurring funding is subject to the results of a study by the State Board of Community Colleges in accordance with Section 10.15 of this act.”**

State Board Members	College Board of Trustees Members	College Presidents	Non-Voting Ex Officio Members
Ann Whitford (Chair)	Lyn Austin, Johnston CC	Dr. Gary Green, Forsyth Tech	Honorable Beth Woods, Office of State Auditor
Jimmie Ford	George Little, Sandhills CC	Dr. Steve Thornburg, Cleveland CC	Jeff King, Office of State CIO
Scott Shook	Kaye Myers, AB Tech	Dr. Stelfanie Williams, Vance-Granville CC	Jennifer Haygood, NCCCS CFO

# Program Audit Study Committee

- **Per Section 10.15, the committee shall:**
  - Determine how program audit procedures may be streamlined to minimize the administrative burden on the institutions being audited and how funding mechanisms may be changed to reduce reliance on contact hours.
  - Seek input from community college staff members who are responsible for assistance with the program audits to study the problems associated with the program audit function and potential resolutions for those issues.
  - Report the results of its study and recommendations to the Joint Legislative Education Oversight Committee by January 1, 2015.

# Committee Activities

- **Study Committee has met monthly since October 2013 with the exception of December 2013 and February 2014.**
- **Conducted six regional Accountability Listening Sessions**
  - **Gather feedback from colleges on policies that are unclear, obsolete, or otherwise problematic**
  - **Collect ideas about how a new and improved accountability system could work**

# Key Proposed Reforms

- **State Board Code**
- **Purpose of Audits**
- **Frequency**
- **Materiality**
- **Scope of Audits**
- **Review Method**
- **Roles and Responsibilities**
- **Oversight**